

# INDAKA MUNICIPALITY



## ANNUAL DRAFT BUDGET

### 2014/2015 TO 2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

*Copies of this document can be viewed:*

- *In the foyers of all municipal buildings*
- *In the library of the municipality*
- *Website: [www.indaka.gov.za](http://www.indaka.gov.za)*

# Table of Contents

<b>Part</b>	<b>Section description</b>	<b>Page</b>
	List of figures, tables and annexures	<b>3- 4</b>
	Glossary	<b>5-6</b>
<b>Part1</b>	<b>Annual Budget</b>	
<b>1</b>	Mayors Report & Resolutions	<b>7-10</b>
<b>2</b>	Executive summary	<b>11-15</b>
<b>3</b>	Annual budget tables	<b>15</b>
<b>Part 2</b>	<b>Supporting documentation</b>	
<b>4</b>	Overview of annual budget process	<b>15-17</b>
<b>5</b>	Overview of the Integrated Development Plan	<b>18-19</b>
<b>6</b>	Measurable performance objectives and indicators	<b>19</b>
<b>7</b>	Overview of budget-related policies	<b>19</b>
<b>8</b>	Overview of budget assumptions	<b>21-24</b>
<b>9</b>	Overview of budget funding	<b>25-28</b>
<b>10</b>	Expenditure on allocations and grant programs	<b>28</b>
<b>11</b>	Allocations and grants	<b>29</b>
<b>12</b>	Monthly targets for revenue, expenditure and cash flow	<b>29</b>
<b>13</b>	Councillor allowances and employee benefits	<b>29</b>
<b>14</b>	Annual budgets and service delivery and budget implementation plans – internal departments	<b>29</b>
<b>15</b>	Contracts having future budgetary implications	<b>30</b>
<b>16</b>	Reconciliation of IDP strategic objectives and capital budget	<b>30</b>
<b>17</b>	Legislation compliance status	<b>30</b>
<b>18</b>	National Treasury directives	<b>30</b>
<b>19</b>	Capital expenditure details	<b>30</b>
<b>Part 3</b>	<b>Other supporting documents</b>	<b>30</b>

## A. LIST OF FIGURES, TABLES AND ANNEXURES

No	Description
Table A1	Budget Summary (Table A1)
Table A2	Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2+A2A)
Table A3	Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3+A3A)
Table A4	Budgeted Financial Performance (Revenue and Expenditure) (Table A4)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding (Table A5+A5A)
Table A6	Budgeted Financial Position (Table A6) 22
Table A7	Budgeted Cash Flows (Table A7) 23
Table A8	Cash backed reserves/accumulated surplus reconciliation (Table A8)
Table A9	Asset Management (Table A9)
Table A10	Basic service delivery measurement (Table A10)
Table SA1	Supporting detail to “Budgeted Financial Performance”
Table SA2	Matrix Financial Performance Budget (revenue source / expenditure type and dept.)
Table SA3	Supporting detail to “Budgeted Financial Position”
Table SA4	Reconciliation of IDP strategic objectives and budget (Revenue)
Table SA5	Reconciliation of IDP strategic objectives and budget (Operating expenditure)
Table SA6	Reconciliation of IDP strategic objectives and budget (Capital expenditure)
Table SA7	Measurable performance objectives
Table SA8	Performance indicators and bench marks
Table SA9	Social, Economic and Demographic statistics and assumptions
Table SA10	Funding measurements
Table SA11	Property rate summary
Table A12a	Property rates by category (current year)
Table SA12b	Property rates by category (budget year)
Table SA13	Service Tariffs by category
Table SA14	Household bills
Table SA15	Investment particulars by type
Table SA16	Investment particulars by maturity
Table SA17	Borrowing
Table SA18	Transfers and grant receipts
Table SA19	Expenditure on transfers and grant program
Table SA20	Reconciliation of transfers, grant receipts and un-spend funds
Table SA21	Transfers and grants made by the Municipality
Table SA22	Summary councillor and staff benefits
Table SA23	Salaries, allowances & benefits (political office bearers/ councillors/senior managers)
Table SA24	Summary of personnel numbers
Table SA25	Budgeted monthly revenue and expenditure
Table SA26	Budgeted monthly revenue and expenditure (municipal vote)
Table SA27	Budgeted monthly revenue and expenditure (standard classification)
Table SA28	Budgeted monthly capital expenditure (municipal vote)
Table SA29	Budgeted monthly capital expenditure (standard classification)
Table SA30	Budgeted monthly cash flow
Table SA31	N/A

Table SA32	List of external mechanisms
Table SA33	Contracts having future budgetary implications
Table SA34a	Capital expenditure on new assets by assets class
Table SA34b	Capital expenditure on the renewal of existing assets by assets class
Table SA34c	Repairs and maintenance expenditure by assets class
Table SA34d	Depreciation by asset class
Table SA35	Future financial implications of the capital budget
Table SA36	Detailed capital budget
Table SA37	Projects delayed from previous financial years
Annexure 1	Multi Year Capital Appropriations By Vote
Annexure 2	Tariffs, Fees and Charges Book
Annexure 3	Rates Policy
Annexure 4	Asset Management policy
Annexure 5	Draft Credit Control and Debt Collection Policy and By-laws
Annexure6	Banking and Investments.
Annexure 7	Integrated Development Plan
Annexure 8	Opex by line item.
Annexure 9	DORA/Provincial grants
Annexure 10	SCM. policy
Annexure 11	Budget policy

## B. GLOSSARY OF TERMS AND ABBREVIATIONS

---

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.

**Budget Steering committee** – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA.

**Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short-term investments.

**CPI** – Headline Consumer Price Index

**DMTN** – Domestic Medium Term Note

**DORA** – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

**DORb** – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

**Executive Management Team** – A team comprising the Municipal Manager and the Directors. It reports to the Municipal Manager.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality. **KPI** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

**MYPD** – Multi Year Price

Determination **NT** – National

Treasury

**Operating Expenditure** – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Portfolio Committee** – In line with Section 79 of the Structures Act, the Municipality's Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

**Rates** – Local Government tax based on assessed valuation of a property.

**TMA** – Total Municipal Account

**SCM** - Supply Chain Management

**SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**SFA** – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

**Vote** – One of the main segments into which a budget is divided, usually at directorate level.

# Part 1 – Draft Annual Budget

## 1.1 Mayor's Report

During the State of the National Address the President remarked that the National Planning Commission had handed over the National Development Plan and the vision of the country for the next 20 years. This plan contains proposals for tackling the problems of poverty, inequality and unemployment. It is a roadmap to where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. The achievement of these goals has proven difficult due to the global economic recession.

The President further stated that government is cracking down on corruption, tender fraud and price fixing in the infrastructure program. Government will be working together to find a solution to youth unemployment by making use of the Expanded Public Works Programme and the Community Work Programme to absorb young people.

We must ensure that the public services we provide our community today can continue to be provided to our people tomorrow. This requires that we have suitable tax policies in place to generate sufficient revenue to pay for these services.

Whilst rural development remain a priority of government, it is crucial that a national integrated urban development framework is developed to assist municipalities to effectively manage rapid urbanisation.

Management within local government has a significant role to play in strengthening the link between the community and governments overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the I n d a k a L o c a l Municipality.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities.

The challenge is to do more with the limited resources available. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We need to work together for a common vision that connects the past to the present to make a better future possible. Change is not just a challenge to government but affects all of society. A new framework for development is an opportunity to unite around an inclusive vision and join hands in constructing a shared future. Working together we can all do better.

Minister Gordhan in the overview of the budget mentioned the following points that are relevant to our budget:

- There are signs of improvement in the world economy, though the outlook remains troubled.
- South Africa's economy has continued to grow, but at a slower rate.
- The budget takes the National Development Plan as its point of departure. The strategic plans of government and the medium-term expenditure plans will be aligned to realise our objectives.
- Government remains committed to a large scale infrastructure investment program.
- A new local government equitable share formula is proposed, providing a subsidy for free basic services designed to reach 59% of households.

We need to invest in infrastructure, raise productivity, create jobs and raise living standards.

While building on our strengths we have to tackle our weaknesses aggressively by professionalising our services and strengthening our accountability. Improving management and enforcing systems to fight corruption.

Improved planning and management of strategic infrastructure projects. By implementing this we can assist in reducing poverty and inequality and this in turn will raise employment and investment into Indaka Local Municipality. development within the area must be coupled with fiscal sustainability, which ensures that progress made will not be interrupted or reversed.

Government continues to direct spending towards environmental programmes, such as installing solar water geysers, procuring renewable energy, cleaning up derelict mines, addressing acid mine drainage, supporting our national parks and saving our rhino population who remain under threat.

The integrated national electrification grant is allocated additional funding to increase the number of new electricity connections over the next three years. The solar water geyser program will also continue until 2015/16.

Money has been taken away from programmes that are not performing or are not aligned to government's core priorities and given to programmes that are delivering as planned.

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitable to all communities. We must ensure value for money with the greatest possible vigour to ensure rate payers money is well used and not wasted.

On tabling the KZN Provincial Budget, MEC for Finance Ms Ina Cronje mentioned a budget is not just about numbers it also expresses our values and aspirations. Balancing the long and short term is what management is about being able to curtail deficits yet encouraging economic expansion and ensuring sustainable service delivery to all our citizens. The drafting of a budget is an act of humans based on economic projections and predictions requiring careful calculations.

The Provincial priorities are that all new spending is funded through reprioritisation of funds by departments and identification of savings. To ensure sustainability and the promotion of growth the composition of spending has shifted in favour of greater spending on infrastructure and away from consumption spending.



To this the MEC announced the following ways of cutting down on wasteful expenditure:

- A review of all organograms, a head count exercise and a moratorium on the filling of non-critical posts.
- Officials to travel together unless absolutely unavoidable. Where there are same day meetings and where possible officials travel there and back in one day to cut down unnecessary overnight accommodation planning sessions, workshops be held in departmental offices instead of private venues. At these meetings no catering or bottled water may be procured.
- Essential training to be done in-house.
- No team building exercises or year-end/Christmas functions.
- Overtime to be strictly controlled and only used when absolutely essential.

In conclusion the MEC emphasised we need discipline to spend on budgets, obtain clean audits, eliminate unnecessary costs and wastage, get value for money: doing more with less, deal with corruption and deliberate wrong-doing, eliminate unauthorised and irregular expenditure.

One of the priorities is to invest into our infrastructure which is ageing and needs to be updated and maintained. To achieve this we have to improve and encourage investment into the area. We also have to support job creation with focus on unemployed youth who are the future of Indaka Local Municipality, to this extent R 1 million has been allocated by National Treasury to the Expanded Works Program.

One of the focus points of the budget this year is to improve the efficiency of the municipality by redirecting spending to priority areas. Department's budgets have been cut in selected areas and funds shifted towards the key priorities.

**NGIYABONGA**

**THANK YOU**

## 1.2 Council Resolutions

**On 31 MARCH 2014 the Council of Indaka Local Municipality met to consider the annual budget of the municipality for the financial year 2014/2015.**

**The council approved and adopted the following resolutions:**

1. The Council of Indaka Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:  
  
The draft annual budget for the financial year 2014/2015; and the multi-year and single-year capital appropriations as set out in the following tables:
  - a) *Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2*
  - b) *Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3*
  - c) *Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4*
  - d) *Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5*
2. The financial position, cash flow budget, cash-backed reserve/accumulates surplus, asset management and basic service delivery targets are approved as set out in the following tables:
  - a) *Budgeted Financial Position as contained in Table A6*
  - b) *Budgeted Cash Flows as contained in Table A7*
  - c) *Cash backed reserves and accumulated surplus reconciliation as contained in Table A8*
  - d) *Asset management as contained in Table A9; and*
  - e) *Basic service delivery measurement as contained in Table A10.*
3. The Council of Indaka Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
  - 3.1 the tariffs for property rates – as set out in Annexure 6
  - 3.2 the tariffs for refuse removal (solid waste)- as set out in Annexure 6
4. the tariffs for other services, as set out in Annexure 6
5. To give proper effect to the municipality's draft annual budget, the Council of Indaka Local Municipality approves:

- a) *That cash backing is implemented through the utilization of a portion of the revenue generated from property rates to ensure that all provisions and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.*
  - b) *Assessment (property) rates*
  - c) *Draft Budget Policy*
  - d) *Asset management policy.*
  - e) *Draft Credit Control and Debt Collection Policy .*
  - f) *Integrated Development Plan.*
  - g) *Banking and investment policy.*
  - i) *SCM Policy*
  - j) *Virement Policy*
2. Service Delivery Plans / Business Plans with measurable targets to be approved by the Executive Mayor within 28 days after the approval of the budget.
3. The National Treasury Circular 72 ("Municipal Budget Circular for the 2014/2015 MTREF") is annexed to this report for noting.

## 2. EXECUTIVE SUMMARY

### a. General

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-essential and 'nice-to-have' items. 2014/15 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The budget for the 2014/15 MTREF period was based on the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51,58,59,66,67 & 72) - *"...over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritized so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and Councils need to remain focused on the effective delivery of core municipal services...."*

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community.

The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

National Treasury MFMA Circular 72 were used to guide the compilation of the 2014/2015 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarized as follows:

- The ongoing difficulties in the local economy
- Ageing roads and infrastructure
- The need to prioritize projects and expenditure within the existing resources available.
- Affordability of capital projects.
- Wage increases for municipal staff that continue to exceed consumer inflation as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget.
- Service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff and property rate increases should be affordable and try not to exceed inflation as measured by the CPI.
- No budget has been allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the Division of Revenue Act gazette.

In the view of the aforementioned, the following table is a consolidated overview of the proposed 2014/2015 Medium-term Revenue and Expenditure Framework.

	2013/2014 Budget R	2014/2015 Budget R	Year on year
Total Operating Revenue	(107,182,396)	(99,124,992)	-7.51%
Total Operating Expenditure	55,068,571	57,046,341	3.59%
(Surplus)/Deficit for the year	(52,113,824)	(42,078,651)	-19.25%
Total Capital Expenditure	52,074,526	41,895,658	-19.55%

#### **b . Operating Budget**

##### **Expenditure**

Total operating expenditure increased from R 55,068 million in 2013/14 to R57,046 million in 2014/15. The overall growth of R1,977 million ( 3.50% ) can be attributed to increases on several expenditure components.

Examples of these are:

	2013/2014 Budget R	2014/2015 Budget R	Year on year
Employee related costs	11,965,652	12,795,520	6.90%
Remuneration of Councilors	5,414,942	5,784,952	6.80%
Depreciation	8,690,000	9,000,000	3.50%
General Expenditure	26,647,167	26,975,868	1.20%
Repairs and Maintenance	1,550,810	1,490,000	-3.90%
Other expenditure	800,000	1,000,000	25.0%
<b>Total Expenditure</b>	<b>55,068,571</b>	<b>57,046,371</b>	<b>3.50%</b>

**Reasons for significant variances:**

**Employment related costs** – The increase results from the normal increase and also includes the filling of vacant and new positions.

**Remuneration of Councilors** – The increase results from the provision for a increase.

**Depreciation & Asset Impairment** – The increase results from the adjusted (reduced) life span of certain asset classes and the depreciation impact of major projects as well as the revaluation of certain asset classes to comply with the GRAP standards.

**General Expenditure** - The increase results from increases in various areas.

**Repairs and maintenance** – The decrease results from the fact that rehabilitation of existing roads form part of the capital budget.

**Other expenditure** – This expenditure component is for free basic services.

**The 2014/2015 Operating Budget provides for the following variances on allocations:**

**Revenue**

Total operating revenue decreased from R 107,182 million in 2013/14 to R 99,124,992 million 2014/2015 ( -7.50%)

Major contributing items are:

- An increased allocation in respect of the National Equitable Share allocation (from R 63.19million (2013/14) to R67,255million (2014/15))
- An decrease allocation in respect of the D O E allocation (from R 7.00million (2013/14) to R 0.00million (2014/15))

Revenue sources:

	2013/2014 Budget R	2014/2015 Budget R	Year on year
Property Rates tax	2,233,603	3,056,643	36.80%
Rentals	78,398	92,349	17.70%
Services charges – Refuse	220,000	175,000	-20.40%
Interest earned – investments	2,850,000	2,500,000	-12.20%
Grants & Subsidies	67,241,000	71,670,000	6.50%
Grants & Subsidies – capital	27,464,000	21,551,000	21.50%
Grants & Subsidies – capital Roll Over	7,020,395	0,00	-100.00%
Other Revenue	75,000	80,000	6.60%
<b>Total Revenue</b>	<b>107,182,396</b>	<b>99,124,992</b>	<b>-7.50%</b>

**Reasons for significant Revenue variances:**

- Property rates increased due to the 25 % rebate that has phased out.
- Rental increased due to new contracts.
- Services charges decreased due to incorrect billing to vacant land.
- Interest on Investments decreased-due to capital expenditure.
- Grants- Dora allocations increased.
- Other revenue increased due to history on tender documents.

**Individual service tariffs / Rates**

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.

Average Tariff increases for 2014/15, 2015/16 and 2016/17:

	2014/15 %	2015/16 %	2016/2017 %
Rates	5.1	4.9	5.2
Refuse Removal	5.1	4.9	5.2

**Rates**

The tariff increase is 5.1%

**Solid Waste**

An average tariff increase of 5.1%.

**c. Capital Budget**

The Capital Budget decreases from R 52,074 million in 2013/14 to R 41,90 million in 2014/15. This is an overall decrease of 20.70% which can be attributed by various factors.

- Increased allocations made by National and Provincial spheres of Government for the Roads and no allocation for electricity votes

	2013/14 Budget R	2014/15 Budget R	Increase/Decrease R
Capital Grants	27,464,000	21,551,000	5,913,000
<b>Total</b>	<b>27,464,000</b>	<b>21,551,000</b>	<b>5,913,000</b>

Major capital expenditure is planned in the following areas during the 2014/15 financial year:

- Roads – R 38,150,658
- Halls R 1,000,000
- Buildings – R 500,000
- Computer Equipment R 445,000
- Fencing Landfill Site-- R 1,700,000
- Other – R 100,000

The most significant projects are in: Technical Directorate:

- Roads Services:  
Rural Roads & Bridges
- Renewal Existing Assets
- Halls
- Buildings
- Other-  
Computer Equipment  
Office Equipment

New projects (extract) in the 2014/15 Capital Budget:

Project Description	2014/2015 Budget R
Halls	1,000,000
Roads	38,150,658
Buildings	500,000
Fencing	1,700,000
Office Equipment	100,000
Other	445,000

### 3. ANNUAL BUDGET TABLES

**Budget schedules to be approved by resolution of Council**

- Table A1 - Budget Summary
- Table A2 - Budgeted Financial Performance (Revenue and Expenditure by classification)
- Table A3 - Budgeted Financial Performance (Revenue and expenditure by municipal vote)
- Table A4 - Budgeted Financial Performance (Revenue and Expenditure)
- Table A5 - Budgeted Capital Expenditure by vote, standard classification and Funding
- Table A6 - Budgeted Financial Position
- Table A7 - Budgeted Cash Flows
- Table A8 - Cash backed reserves/accumulated surplus reconciliation
- Table A9 - Asset Management
- Table A10 - Basic service delivery measurement



## 4. OVERVIEW OF ANNUAL BUDGET PROCESS

---

### a. Budget Process Overview

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

In line with the above requirements, the budget process for the 2014/2015 MTREF period proceeded/will proceed according to the following timeline:

#### **31 March 2014 Draft Budget**

Submit Draft budget, tariffs, SDBIP's to budget committee and Exco for recommendation to Council.

Submit Draft IDP to Exco for recommendation to Council

### b. Integration of the review of the IDP and the preparation of the Budget

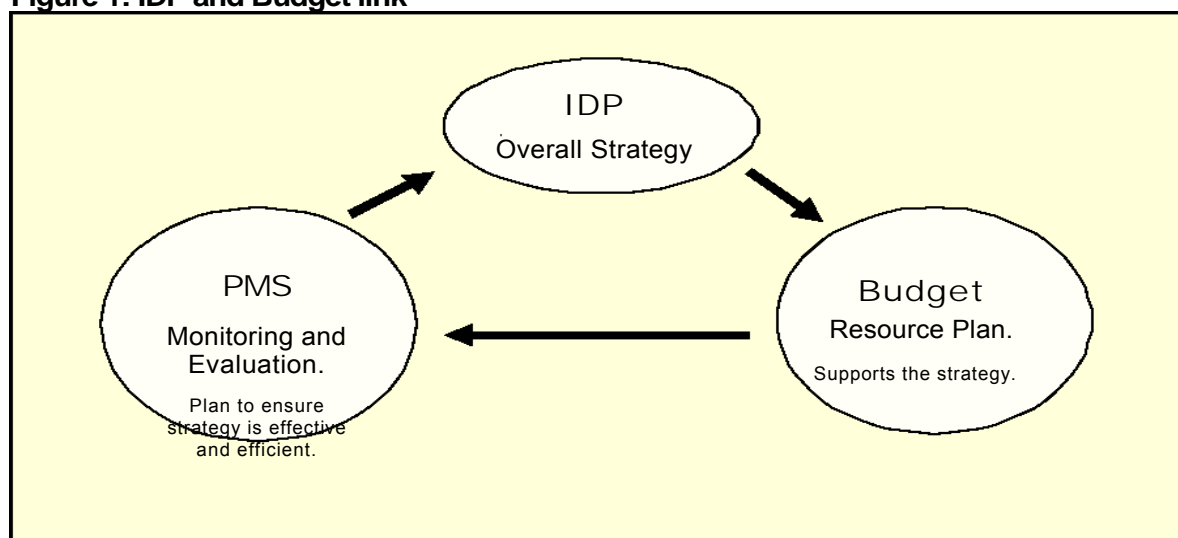
The IDP is the principal strategic planning instrument that guides and informs its planning, management and development actions. This visionary framework is rolled out into objectives, key performance indicators (KPIs) and targets for implementation.

These are then broken down into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.

The IDP also informs the municipality's performance management system, as the KPIs are monitored and must be reported on every quarter.

The figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded towards through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the municipality.

**Figure 1: IDP and Budget link**



**c. Consultation with the community and key stakeholders**

The IDP public engagement was held from January 2014 to March 2014.

The tabled budget will be provided to the National and Provincial Treasury for their assessment in accordance with S23 of the MFMA in April 2014.

**d. Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]**

There was no IDP and Budget plan due to management challenges which are dealt with elsewhere.

DATE	ACTIVITY	RESPONSIBILITY
<b>31 March 2014</b>	<b>Draft Budget</b> Submit Draft multi-term operational and capital budget, SDBIP to Council, National and Provincial Treasury, DCGTA Advertise draft budget and tariffs for comment Submit Draft IDP to Council, National and Provincial Treasury & COGTA	<b>CFO</b> <b>MFAS</b> <b>IDP Manager</b>
<b>7 April – 25 April 2014</b>	<b>Public Consultation Process</b> Public Consultation on Draft budget throughout municipality Public Consultation on Draft IDP Advertise both budget and IDP for comment	<b>MAYOR</b> <b>EXCO</b> <b>MM</b> <b>IDP Manager</b>
<b>30 April 2014</b>	<b>Respond to Public Comments</b> Response to public comments and sector comments. Incorporate recommendations into Draft budget and IDP if possible and feasible	<b>MAYOR</b> <b>MFAS</b>
<b>30 May 2014</b>	<b>Approval of Final Draft Budget</b> Approve the Draft multi-term operational and capital budget Approve the Draft IDP	<b>COUNCIL</b>

<b>10 June 2014</b>	<b>Advertising</b> Publication of approved budget. Place on web site Publication of approved IDP. Place on web site	<b>MM</b> <b>MFAS</b>
<b>13 June 2014</b>	<b>Submission of Budget</b> Submit approved budget to National and Provincial Treasury and COGTA. Submit approved IDP to National and Provincial Treasury and COGTA	<b>MFAS</b> <b>IDP Manager</b>
<b>28 July 2014</b>	<b>Finalise SDBIP</b> Finalise service delivery and budget implementation plan(SDBIP) and submit to Council for approval	<b>MAYOR</b> <b>MM</b>

5. **OVERVIEW OF THE MUNICIPALITY'S INTEGRATED DEVELOPMENT PLAN**  
a **The Vision of the Municipality**

The Municipality's long term vision is:

## **b The 5-Year IDP and Strategic Focus Areas**

On 1 July 2012, the Indaka Municipality implemented a new five-year IDP for the period July 2012 to June 2017 to inform and guide the current elected public representatives in their term of office. This document is the last annual review of the

**“To make the people of Indaka enjoy  
the most improved quality of life and  
community-driven services by 2020”**

### **MISSION**

**Indaka Municipality commits to the following:**

- **Creating an environment conducive to economic development and growth.**
- **Making Indaka area a safe and vibrant place to live and work in.**
- **Improved service delivery.**
- **Good governance.**

IDP, and outlines the Municipality’s intent in terms of the agreed strategic focus areas that are required to overcome Indaka challenges, achieve its vision, and give effect to its other strategic considerations.

- Low economic growth and unemployment
- Poor access to basic household services
- High levels of poverty
- Low levels of literacy and skills development
- The issue of HIV / AIDS and other diseases
- Exposure to unacceptably high level of crime and risk
- Unsustainable development practices
- Ineffective, inefficient, inward looking local government

## LOCAL PRIORITIES

- To build a functionally efficient and local government structure
- To maintain financial stability and sustainability
- To create an integrated and efficient spatial structure
- To promote equitable access to infrastructure and basic services
- To improve the standard of living for the entire community of Indaka municipality
- To facilitate economic development and growth

The draft Integrated Development Plan is attached.

### **c Measurable performance objectives and indicators**

The Municipality's measurable performance objectives, as reflected in Support Table SA7 of Schedule A the Municipal Budget and Reporting Regulations, are attached.

## 6. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### **Key financial indicators and ratios**

#### **Table A8: Performance Indicators**

## 7. OVERVIEW OF BUDGET-RELATED POLICIES

### **Revenue Framework**

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected, as well as cash backed accumulated funds from previous years and not committed for other purposes.

In addition, NT Circular 59 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source, as per the requirements of the MFMA (Chapter 4, S17 (1) (a) & (3) (b)).

**1. Revenue related policies**

**2. General Tariff Policy**

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA include the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy is attached.

**Credit Control and Debt Collection Policy**

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law. The Policy also includes the Indigent Policy .

**3. Budget related policies**

**Approved policies**

The following budget related policies have been approved by Council and is available on the Municipality's website.

- ***Assessment (property) rates***
- ***Draft Budget Policy***
- ***Asset management policy.***
- ***Draft Credit Control and Debt Collection Policy .***
- ***Integrated Development Plan.***
- ***Banking and investment policy.***
- ***SCM Policy***
- ***Virement Policy***

**Reviewed/Amended policies**

The following budget related policies are currently being reviewed/amended in line with National Guidelines and legislation.

**Property Rates Policy**

Minor amendments to the approved policy are to be considered in June2014.

## 8 OVERVIEW OF BUDGET ASSUMPTIONS

---

### Environment in which the 2014/15 Budget was prepared

The MTREF/budget is susceptible to the economic climate and it is therefore vital that the projected economic condition is properly considered during the budget preparation process.

The 2014/2015 MTREF was drafted in context of a reviving economy. Negative impacts of the multi-year recession are however still experienced and reported by both the private and public sectors.

### Key economic trends – 2004 to 2015 (Sourced from BER)

#### Macro-economic forecast

In the midst of the recession, GDP was at a deficit of 1.8%; the inflation rate at 11.85%; the R/\$ exchange rate averaged at R 9.40 and interest rate levels averaged at around 4.8%.

The preparation of the 2014/2015 MTREF first draft produced much improved projections; for example - GDP at 2.7%.

Budgetary constraints and economic challenges meant that the Municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2014/2015 MTREF.

The draft budget for the 2014/2015 MTREF period, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in National Treasury Budget Circular 59,66,67,70 &72 as well as a National Treasury presentation to municipalities.

The challenges that faced the Municipality in preparing the 2014/2015 MTREF included:

- In attempting to reduce the high Rates revenue parameter, several interventions to multiyear targets of both revenue and expenditure across services were required, while simultaneously retaining the strategic links to and focus on the draft IDP.
- Substantial, once-off revenue which cover semi-permanent expenditure obligations;
- Persistent staff costs increases over the medium term beyond CPI levels (with inflation linked Revenue increases in corresponding periods).
- The interventions applied to eradicate the above challenges included, amongst others:

## Financial modeling

The Indaka Municipality MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. In addition, sustainability forms the basis of the preparation of the Operating and Capital Budgets. It sets out the economic context and assumptions that inform the compilation of the next three years' budget.

The principles applied to the MTREF in determining the affordability envelope were:

- Higher than headline CPI revenue increases, to the extent that they affect and support Council's operational activities of relevant services;
- Assumption of a 100% capital expenditure implementation.
- Higher than nationally projected inflation provisions for repairs and maintenance, to attain nationally benchmarked levels on this expenditure item, and ensure/enhance the preservation of the Municipality's infrastructure.

## Key Financial Indicators in the 2014/2015 MTREF Budget

### Headline Consumer Price Index (CPI) – Inflation

#### Outlook

Fiscal year	2012 Actual	2013 Estimate	2014	2015 Forecast	2016
Real GDP growth	2.5	1.8	2.7	3.2	3.5
CPI inflation	5.6	5.7	6.2	5.9	5.5

Headline CPI applied in the 2014/2015 MTREF is 6.2%, 5.9% and 5.5% respectively for the 3- year period. This differs somewhat from the CPI forecasts for the same period. The levels are within the NT and SARB CPI projections (3% to 6% range).

Budgetary allocations within the current financial year (2014/2015) were largely based on a CPI level of 6.2%. The MTREF outer years is proposed to remain at 5.9% and 5.5% respectively.

## EXPENDITURE FRAMEWORK

### Salaries, wages and related staff costs

The municipality's salary increases applied to the staff budget were as follows:

	BASE BUDGET 2014/2015 %	2014/2015 %	2015/2016 %	2016/2017 %
Salaries		6.79	6.4	6.4



## **Parameters applied to Staff Budget**

The Municipality needs to take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2013 until 31 January 2014, plus 1 per cent for 2014/15 financial year (with effect of 1 July 2014).

The average CPI for the period February 2013 to 31 January 2014 is 5.79 per cent which compares well to the estimate of 5.9 per cent for 2013 as provided for in the 2013 Medium Term Budget Policy Statement. The Municipality has been advised to provide for increases related to salaries and wages as follows:

*2014/15 Financial Year – 6.79 per cent (5.79 per cent plus 1 per cent)*

*2015/16 Financial Year – 6.40 per cent (5.40 per cent plus 1 per cent)*

*2016/17 Financial Year – 6.40 per cent (5.40 per cent plus 1 per cent)*

It is recommended that the projected inflation forecast plus one per cent be applied to the 2015/16 and 2016/2017 financial years in the absence of a collective Salary and Wage agreement.

## **Remuneration of councillors**

The Municipality budgeted for the actual costs approved in line with the latest Public Officer Bearers Act issued in December 2013 inclusive with the provision of an increase equal to the estimated CPI inflation over the MTEF.

## **General expenses**

In MFMA Circular No. 70 the Municipality was strongly advised to take note of the Cabinet resolution of 23 October 2013 by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measures with effect of January 2014. The cost containment measures must be implemented to eliminate waste, reprioritize spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and event costs as well as costs for accommodation. Municipalities were subsequently strongly urged to take note of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

The general expenses base was increased from R 26,647 million to R 26,975 million taking into consideration the advise of the Cabinet resolution.

## **Repairs and Maintenance**

The National Treasury Municipal Budget Circular for the 2013/2014 MTREF stated that “municipalities must *secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance*”. The Municipality has, over the last three financial years, consistently increased the investment in repairs and maintenance by above CPI.

## **REVENUE FRAMEWORK Service growth**

The current unstable economic climate has restricted any material service growth.

## Revenue growth parameters: Rates and trading services

The following revenue parameter increases were applied to the 2014/15 MTREF which informs the tariff increases reflected in the Total Municipal Account (TMA):

## Revenue growth parameters: Rates and trading services

Ensuring an affordable and sustainable budget necessitated a higher than CPI year-on-year revenue growth to be applied to the Rates and Trading services.

The following revenue parameter increases were applied to the 2014/15 MTREF which informs the tariff increases reflected in the Total Municipal Account (TMA):

- *Rates:* With the backdrop of the current economic climate and other cost pressures negatively impacting on the budget, the rates revenue increase was 5.1%.
- *Refuse Removal:* This revenue parameter increase was model at 5.1%, which is within the ambit of the BER's CPI projection for 2014/2015.

The revenue parameters applied will generate the following revenue parameters:

REVENUE CATEGORY	ADJUSTMENT BUDGET 2013/2014 R'000	ORGANIC GROWTH PARAMETERS	AVERAGE TARIFF INCREASE	2014/2015 BUDGETED REVENUE R'000
Rates	2,233,603	5.1%	5.1%	3,056,643
Refuse	220,000	5.1%	5.1%	175,000

## Collection rate

In accordance with relevant legislation and national directives, the Municipality's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the working capital reserve the following collection ratios were applied as per the table below.

SERVICE	BASE BUDGET 2013/14 %	2014/15 %	2015/16 %	2016/17 %
Rates and Services	12.00	15.0	18.0	20.0

## Projected collection rates

The total collection rate for 2014/2015 averages 15.0% and is based on a combination of actual collection rates achieved to date and the estimated outcomes for the current financial period. The projections for the outer years remained stable.

## NATIONAL GRANTS

### Equitable Share

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it. The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities' own revenue sources for the provision of basic services to poor households within their areas of jurisdiction. The equitable share per municipality is calculated using the following equation:

## Equitable Share equation

Initiatives are currently being pursued to assess the application of the equation for the Indaka Municipality to ensure that the allocation received by Indaka is equitable and fair. The annual Division of Revenue Act (DORA) publishes the equitable share allocations. The following indicative allocations, as published in the 2014/2015 DORA, were provided as follows:

- 2014/2015 – R 67,255 million
- 2015/2016 – R 75,582 million
- 2016/2017 – R 74,021 million (Forecasted based on year on year average growth)

## Interest rates

Average interest rates over the 2014/2015 MTREF period Interest on investments – 6.0%.

## Depreciation

Depreciation was calculated on a straight line method based on the lifespan of the asset class and capitalization date. For multi-year projects it was assumed that capitalization will only take place when the project is completed and depreciation will take effect then.

## 9. OVERVIEW OF BUDGET FUNDING

### 1. 2014/2015 and 2015/2016 to 2016/2017 projected financial performance

#### 1.1. Operating Budget

Total operating revenue decreased from R 107,182 million in 2013/14 to R 99,124,992 million 2014/2015 ( -7.50%)

#### 1.2. Capital Budget

The Capital Budget decreases from R 52,074 million in 2013/14 to R 41,90 million in 2014/15. This is an overall decrease of 20.70% which can be attributed by various factors.

Major capital expenditure is planned in the following areas during the 2014/15 financial year:

- Roads – R 38,150,658
- Halls R 1,000,000
- Buildings – R 500,000
- Computer Equipment R 445,000
- Fencing Landfill Site-- R 1,700,000
- Other – R 100,000

The most significant projects are in: Technical Directorate:

Roads Services:  
 Rural Roads & Bridges  
 Renewal Existing Assets  
 Halls  
 Buildings  
 Other-  
     Computer Equipment  
     Office Equipment

## 2 . Medium Term Outlook: 2014/2015 to 2016/2017

### Operating Budget

The table below reflects the increase in the operating budget in the medium term:

	<b>2014/2015 R</b>	<b>2015/2016 R</b>	<b>2016/2017 R</b>
Operating Budget	59,883,378	63,509,350	67,180,280

### Capital Budget

The table below reflects the capital budget and its funding sources in the medium term:

	<b>2014/2015 R</b>	<b>2015/2016 R</b>	<b>2016/2017 R</b>
Capital Budget	41,895,658	32,228,000	33,059,000
Funding Source:			
MIG	21,401,000	22,228,000	23,059,000
DOE		10,000,000	10,000,000
Own Revenue	20,494,658	0	0

The funding sources listed below are appropriated towards the following major projects on the capital budget:

#### National Grant Funded

- Rural Roads and Bridges
- Electrification of Houses

#### Own Revenue

- Own Revenue

### **3 Sources of Funding**

#### **Rates, tariffs and other charges**

##### **Property Tax Rates**

The proposed property rates are to be levied in accordance with existing Council policies, the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The proposed average rates increase is 5.1% for all categories of Properties.

Property tax rates are based on values indicated in the General Valuation Roll 2011(GV).

The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. All values are as at the date of the GV, being 1 July 2011.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

The definitions and listing of categories are reflected in the Rates Policy attached as Annexure 7.

#### **Management**

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers. It is proposed that the Tariffs increase (within CPI) by 5.1%.

The New/Changed Tariffs and amendments to the existing Tariff Policy are reflected in Annexure 5.

#### **Tariffs and Charges Book**

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, No. 56 of 2003, 17(a)(ii).

The Tariffs and Charges Book is attached as Annexure 4 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

An average growth parameter of 5.1% was applied to all the miscellaneous tariffs. All Levies,

Rates and Service Charges are determined in compliance with:

- Local Government Municipal Property Rates Act 2004
- Municipal Finance Management Act 56 of 2003
- Local Government Municipal Systems Act 32 of 2000

### **4. Investments**

Monetary investments by maturity date

### **5. Long – Term investments and loans**

No new borrowings are proposed for the MTEF budget period

## 6. Grant Allocations

### National Allocations

The table below reflects the grant allocations in terms of the 2013 Division of Revenue Bill) that have been included in this medium term budget:

<b>NATIONAL GRANTS</b>	<b>2014/2015 R</b>	<b>2015/2016 R</b>	<b>2016/2017 R</b>
FINANCIAL MANAGEMENT GRANT	1,800,000	1,950,000	2,100,000
NATIONAL ELECTRIFICATION PROGRAMME		10,000,000	10,000,000
EQUITABLE SHARE	67,255,000	75,582,000	74,021,000
MUNICIPAL SYSTEMS IMPROVEMENT	934,000	967,000	1,018,000
MUNICIPAL INFRASTRUCTURE GRANT(MIG)	21,401,000	22,228,000	23,059,000
EXPANDED PUBLIC WORKS PROGRAM	1,000,000		
<b>TOTAL</b>	<b>92,390,0000</b>	<b>110,277,000</b>	<b>110,198,000</b>

### Provincial Allocations

The table below reflects the grants allocated in terms of the Provincial Gazette that have been included in this medium term budget:

<b>PROVINCIAL GRANTS</b>	<b>2014/2015 R</b>	<b>2015/2016 R</b>	<b>2016/2017 R</b>
PROVINCIALISATION OF LIBRARIES	535,000	567,000	597,000
COMMUNITY LIBRARY SERVICE GRANT	146,000	153,000	361,000
INFRASTRUCTURE- SPORT FACILITIES	150,000		
<b>TOTAL</b>	<b>831,000</b>	<b>720,000</b>	<b>958,000</b>

## 10. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

**Table SA 19**

## 11. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Section 67 grants are allocations of funds, from the Municipality's annual operating budget, to organisations or bodies outside any sphere of government. These allocations are gratuitous or unrequited transfers by the Municipality to the grantee organisations and are not payments made in compliance with any commercial or other business transaction.

They provide organisations with funds for carrying out projects, which assist the Municipality in exercising its Constitutional powers and functions which include any additional competencies that may be assigned to the Municipality by National or Provincial Government.

Section 16(2) of the MFMA provides that the mayor must table the annual budget at a Council meeting at least 90 days before the start of a budget year whilst Section 17(3) (j) (iv) provides that when that budget is tabled it must include particulars of any proposed allocations or grants to any organisation or body referred to in Section 67.

## **12. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.**

**Table SA30**

## **13. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS**

**Table SA23**

## **14. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS INTERNAL DEPARTMENTS**

In terms of Section 53 (1) (c) (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Projections for each month of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days of the date of approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month, and the service delivery targets and performance indicators as set out in the SDBIP, are made public within 14 days of its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes, which will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012 (the Municipal financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of the financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipal Government. For the 2012/2013 financial year, the SDBIP will be approved by the Mayor following approval of the Budget.

## **15. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

**Table SA33**

## **16. RECONCILIATION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET**

**Table A6**

## 17. LEGISLATION COMPLIANCE STATUS

### 1 Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office** - A budget office and Treasury office has been established in accordance with the MFMA.
- **Budgeting** - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **Financial reporting** - 100% compliance with regards to monthly, quarterly and annual reporting to the Mayor, Executive Committee, Council, Provincial and National Treasury.
- **Annual Report** - The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Internship Programme** - The Municipality, in participating in the Municipal Finance Management Internship Programme, has employed a number of interns to undergo training in various finance departments.

## 18. NATIONAL TREASURY DIRECTIVES

Key issues addressed in National Treasury Circular 58,59,66,67,70 & 72 Municipal Budget Circular for the 2014/2015 MTREF

## 19. CAPITAL EXPENDITURE DETAILS

Table A36

## 20. OTHER SUPPORTING DOCUMENTS

Table A1 to A10

KZN233 Indaka - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	841	1 777	2 029	2 234	2 234	3 057	3 190	3 340
Service charges	140	168	179	189	220	220	175	175	175
Investment revenue	250	936	1 790	1 000	2 850	2 850	2 500	2 500	2 500
Transfers recognised - operational	44 140	57 540	61 826	67 380	67 241	67 241	71 820	79 219	78 097
Other own revenue	337	186	172	144	153	153	172	170	170
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>44 867</b>	<b>59 672</b>	<b>65 744</b>	<b>70 742</b>	<b>72 698</b>	<b>72 698</b>	<b>77 724</b>	<b>85 254</b>	<b>84 283</b>
Employee costs	10 930	9 924	9 101	12 268	11 966	11 966	12 796	13 614	14 486
Remuneration of councillors	3 574	4 583	4 780	5 385	5 415	5 415	5 785	6 155	6 549
Depreciation & asset impairment	3 662	3 351	6 092	7 290	8 690	8 690	9 000	9 531	10 055
Finance charges	1 084	348	255	275	195	195	230	244	257
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	16 149	5 689	502	1 000	800	800	1 000	1 059	1 117
Other expenditure	26 580	15 361	15 717	31 926	28 003	28 003	28 236	29 902	31 546
<b>Total Expenditure</b>	<b>61 979</b>	<b>39 255</b>	<b>36 447</b>	<b>58 143</b>	<b>55 069</b>	<b>55 069</b>	<b>57 046</b>	<b>60 505</b>	<b>64 011</b>
<b>Surplus/(Deficit)</b>	<b>(17 112)</b>	<b>20 417</b>	<b>29 297</b>	<b>12 599</b>	<b>17 629</b>	<b>17 629</b>	<b>20 678</b>	<b>24 749</b>	<b>20 272</b>
Transfers recognised - capital	15 076	20 380	21 218	38 847	34 484	34 484	21 401	32 228	33 059
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–



Surplus/(Deficit) after capital transfers & contributions	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	1 907	23 324	22 822	47 569	52 075	52 075	41 896	56 588	53 119
Transfers recognised - capital	13 944	20 380	20 776	38 847	27 464	27 464	21 401	32 228	33 059
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	2 943	2 045	12 589	24 611	24 611	20 495	24 360	20 060
Total sources of capital funds	13 944	23 324	22 822	51 436	52 075	52 075	41 896	56 588	53 119
<b>Financial position</b>									
Total current assets	8 466	31 910	67 824	49 481	69 341	69 341	73 347	77 261	81 474
Total non current assets	40 799	60 772	73 950	124 955	115 260	115 260	147 191	203 248	255 843
Total current liabilities	15 716	17 218	20 455	16 778	13 697	13 697	8 430	8 925	9 425
Total non current liabilities	3 914	4 124	4 612	7 532	5 192	5 192	6 134	6 327	6 452
Community wealth/Equity	29 635	71 339	116 706	150 126	165 712	165 712	205 974	265 257	321 440
<b>Cash flows</b>									
Net cash from (used) operating	(4 430)	51 582	57 769	49 847	51 944	51 944	47 179	60 245	56 949
Net cash from (used) investing	1 066	(23 324)	(22 734)	(51 436)	(50 000)	(50 000)	(41 896)	(56 588)	(53 119)
Net cash from (used) financing	(1 849)	(396)	(161)	(396)	(178)	(178)	(175)	(175)	(175)
Cash/cash equivalents at the year end	21	27 883	62 758	48 301	64 523	64 523	69 631	73 113	76 769
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	1 382	29 245	62 758	48 301	64 523	64 523	69 631	73 113	76 769
Application of cash and investments	(95 402)	15 259	14 625	16 021	10 218	10 218	6 336	6 425	6 112
Balance - surplus (shortfall)	96 784	13 985	48 133	32 281	54 306	54 306	63 295	66 688	70 657
<b>Asset management</b>									
Asset register summary (WDV)	40 799	60 772	73 950	124 955	115 260	115 260	147 191	203 248	255 843
Depreciation & asset impairment	3 662	3 351	6 092	7 290	8 690	8 690	9 000	9 531	10 055
Renewal of Existing Assets	-	-	15 053	35 322	39 651	39 651	39 651	38 228	38 559
Repairs and Maintenance	-	-	386	2 611	1 551	1 551	1 490	1 578	1 665
<b>Free services</b>									
Cost of Free Basic Services provided	47	47	47	47	47	47	47	47	47
Revenue cost of free services provided	-	-	-	3 478	-	-	-	-	-
<b>Households below minimum service level</b>									
Water:	7	7	7	7	7	7	7	7	7
Sanitation/sewerage:	5	5	5	5	5	5	5	5	5
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	20	20	20	20	20	20	20	20	20

**KZN233 Indaka - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	59 891	58 823	65 744	69 742	71 698	71 698	76 574	85 254	84 283
Executive and council	146	1 408	2 491	3 139	3 139	3 139	3 646	3 811	3 984
Budget and treasury office	59 745	57 097	62 990	65 950	68 045	68 045	72 247	80 723	79 341
Corporate services	-	318	263	653	514	514	681	720	958
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-

Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>52</b>	<b>21 229</b>	<b>21 218</b>	<b>39 847</b>	<b>35 484</b>	<b>35 484</b>	<b>22 551</b>	<b>32 228</b>	<b>33 059</b>
Planning and development	52	-	-	-	-	-	-	-	-
Road transport	-	21 229	21 218	39 847	35 484	35 484	22 551	32 228	33 059
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>59 943</b>	<b>80 052</b>	<b>86 961</b>	<b>109 589</b>	<b>107 182</b>	<b>107 182</b>	<b>99 125</b>	<b>117 482</b>	<b>117 342</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>34 487</b>	<b>29 372</b>	<b>28 895</b>	<b>39 170</b>	<b>40 109</b>	<b>40 109</b>	<b>43 086</b>	<b>45 696</b>	<b>48 338</b>
Executive and council	2 194	6 028	7 553	9 259	8 760	8 760	9 442	10 034	10 653
Budget and treasury office	14 580	12 073	12 732	16 890	18 442	18 442	19 503	20 670	21 840
Corporate services	17 713	11 270	8 610	13 021	12 907	12 907	14 141	14 991	15 844
<b>Community and public safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>27 492</b>	<b>9 883</b>	<b>7 552</b>	<b>18 973</b>	<b>14 959</b>	<b>14 959</b>	<b>13 960</b>	<b>14 809</b>	<b>15 673</b>
Planning and development	3 788	3 012	1 329	3 910	3 579	3 579	2 102	2 232	2 365
Road transport	23 704	6 872	6 222	15 063	11 380	11 380	11 858	12 578	13 307
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>61 979</b>	<b>39 255</b>	<b>36 447</b>	<b>58 143</b>	<b>55 069</b>	<b>55 069</b>	<b>57 046</b>	<b>60 505</b>	<b>64 011</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 036)</b>	<b>40 797</b>	<b>50 515</b>	<b>51 446</b>	<b>52 114</b>	<b>52 114</b>	<b>42 079</b>	<b>56 977</b>	<b>53 331</b>

KZN233 Indaka - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote 1 - COUNCIL & EXECUTIVE.	146	1 408	2 491	3 139	3 139	3 139	3 646	3 811	3 984
Vote 2 - CORPORATE SERVICES	-	318	263	653	514	514	681	720	958
Vote 3 - BUDGET & TREASURY	59 745	57 097	62 990	65 950	68 045	68 045	72 247	80 723	79 341
Vote 4 - PLANNING & DEVELOPMENT.	52	-	-	-	-	-	-	-	-
Vote 5 - ROADS	-	21 229	21 218	39 847	35 484	35 484	22 551	32 228	33 059
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>59 943</b>	<b>80 052</b>	<b>86 961</b>	<b>109 589</b>	<b>107 182</b>	<b>107 182</b>	<b>99 125</b>	<b>117 482</b>	<b>117 342</b>

<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - COUNCIL & EXECUTIVE.	2 194	6 028	7 553	9 259	8 760	8 760	9 442	10 034	10 653
Vote 2 - CORPORATE SERVICES	17 713	11 270	8 610	13 021	12 907	12 907	14 141	14 991	15 844
Vote 3 - BUDGET & TREASURY	14 580	12 073	12 732	16 890	18 442	18 442	19 503	20 670	21 840
Vote 4 - PLANNING & DEVELOPMENT.	3 788	3 012	1 329	3 910	3 579	3 579	2 102	2 232	2 365
Vote 5 - ROADS	23 704	6 872	6 222	15 063	11 380	11 380	11 858	12 578	13 307
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>61 979</b>	<b>39 255</b>	<b>36 447</b>	<b>58 143</b>	<b>55 069</b>	<b>55 069</b>	<b>57 046</b>	<b>60 505</b>	<b>64 011</b>
<b>Surplus/(Deficit) for the year</b>	<b>(2 036)</b>	<b>40 797</b>	<b>50 515</b>	<b>51 446</b>	<b>52 114</b>	<b>52 114</b>	<b>42 079</b>	<b>56 977</b>	<b>53 331</b>

**KZN233 Indaka - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	-	841	1 777	2 029	2 234	2 234	3 057	3 190	3 340
Property rates - penalties & collection charges									
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	140	168	179	189	220	220	175	175	175
Service charges - other									
Rental of facilities and equipment	61	67	77	76	78	78	94	92	92
Interest earned - external investments	250	936	1 790	1 000	2 850	2 850	2 500	2 500	2 500
Interest earned - outstanding debtors									
Dividends received									
Fines									
Licences and permits									
Agency services									
Transfers recognised - operational	44 140	57 540	61 826	67 380	67 241	67 241	71 820	79 219	78 097
Other revenue	276	119	95	69	75	75	78	78	78
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>44 867</b>	<b>59 672</b>	<b>65 744</b>	<b>70 742</b>	<b>72 698</b>	<b>72 698</b>	<b>77 724</b>	<b>85 254</b>	<b>84 283</b>
<b>Expenditure By Type</b>									
Employee related costs	10 930	9 924	9 101	12 268	11 966	11 966	12 796	13 614	14 486
Remuneration of councillors	3 574	4 583	4 780	5 385	5 415	5 415	5 785	6 155	6 549
Debt impairment		385	590	1 200	700	700	700	741	782
Depreciation & asset impairment	3 662	3 351	6 092	7 290	8 690	8 690	9 000	9 531	10 055
Finance charges	1 084	348	255	275	195	195	230	244	257
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials									
Contracted services	5 295	4 867	3 475	4 535	4 285	4 285	4 790	5 073	5 352
Transfers and grants	16 149	5 689	502	1 000	800	800	1 000	1 059	1 117
Other expenditure	21 284	10 108	11 652	26 191	23 018	23 018	22 746	24 088	25 413
Loss on disposal of PPE									
<b>Total Expenditure</b>	<b>61 979</b>	<b>39 255</b>	<b>36 447</b>	<b>58 143</b>	<b>55 069</b>	<b>55 069</b>	<b>57 046</b>	<b>60 505</b>	<b>64 011</b>

Surplus/(Deficit)	(17 112)	20 417	29 297	12 599	17 629	17 629	20 678	24 749	20 272
Transfers recognised - capital	15 076	20 380	21 218	38 847	34 484	34 484	21 401	32 228	33 059
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets									
	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331
Surplus/(Deficit) after capital transfers & contributions									
Taxation									
Surplus/(Deficit) after taxation	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	(2 036)	40 797	50 515	51 446	52 114	52 114	42 079	56 977	53 331

**KZN233 Indaka - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - COUNCIL & EXECUTIVE.	13 944	2 285	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES	-	771	-	-	-	-	-	-	-
Vote 3 - BUDGET & TREASURY	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING & DEVELOPMENT.	-	-	-	-	-	-	-	-	-
Vote 5 - ROADS	-	20 059	22 712	35 322	46 651	46 651	39 676	42 266	40 847
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>13 944</b>	<b>23 115</b>	<b>22 712</b>	<b>35 322</b>	<b>46 651</b>	<b>46 651</b>	<b>39 676</b>	<b>42 266</b>	<b>40 847</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - COUNCIL & EXECUTIVE.	-	-	-	-	-	-	49	537	72
Vote 2 - CORPORATE SERVICES	-	11	40	389	434	434	61	112	82
Vote 3 - BUDGET & TREASURY	-	191	70	275	250	250	398	116	86
Vote 4 - PLANNING & DEVELOPMENT.	-	7	-	-	-	-	12	59	34
Vote 5 - ROADS	-	-	-	15 450	4 740	4 740	1 700	13 500	12 000
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>-</b>	<b>209</b>	<b>110</b>	<b>16 114</b>	<b>5 424</b>	<b>5 424</b>	<b>2 220</b>	<b>14 323</b>	<b>12 273</b>
<b>Total Capital Expenditure - Vote</b>	<b>13 944</b>	<b>23 324</b>	<b>22 822</b>	<b>51 436</b>	<b>52 075</b>	<b>52 075</b>	<b>41 896</b>	<b>56 588</b>	<b>53 119</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>1 907</b>	<b>1 133</b>	<b>1 955</b>	<b>300</b>	<b>684</b>	<b>684</b>	<b>508</b>	<b>764</b>	<b>239</b>
Executive and council	1 777	172	6				49	537	72
Budget and treasury office	61	191	63	100	250	250	398	116	86

Corporate services	69	771	1 886	200	434	434	61	112	82
<b>Community and public safety</b>	-	2 125	-	-	-	-	-	-	-
Community and social services		2 114							
Sport and recreation									
Public safety									
Housing		11							
Health									
<b>Economic and environmental services</b>	-	14 032	20 866	47 269	51 391	51 391	41 388	55 825	52 881
Planning and development		7					12	59	34
Road transport		14 025	20 866	47 269	51 391	51 391	41 376	55 766	52 847
Environmental protection									
<b>Trading services</b>	-	6 033	-	-	-	-	-	-	-
Electricity		6 033							
Water									
Waste water management									
Waste management									
<b>Other</b>									
<b>Total Capital Expenditure - Standard</b>	<b>1 907</b>	<b>23 324</b>	<b>22 822</b>	<b>47 569</b>	<b>52 075</b>	<b>52 075</b>	<b>41 896</b>	<b>56 588</b>	<b>53 119</b>
<b>Funded by:</b>									
National Government	13 944	20 380	20 776	30 464	27 464	27 464	21 401	32 228	33 059
Provincial Government									
District Municipality				8 383					
Other transfers and grants									
Transfers recognised - capital	13 944	20 380	20 776	38 847	27 464	27 464	21 401	32 228	33 059
Public contributions & donations									
Borrowing									
Internally generated funds		2 943	2 045	12 589	24 611	24 611	20 495	24 360	20 060
<b>Total Capital Funding</b>	<b>13 944</b>	<b>23 324</b>	<b>22 822</b>	<b>51 436</b>	<b>52 075</b>	<b>52 075</b>	<b>41 896</b>	<b>56 588</b>	<b>53 119</b>

KZN233 Indaka - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Capital expenditure - Municipal Vote</b>									
<b>Multi-year expenditure appropriation</b>									
Vote 1 - COUNCIL & EXECUTIVE.	13 944	2 285	-	-	-	-	-	-	-
1.1 - Council	13 944	2 285					-	-	-
Vote 2 - CORPORATE SERVICES	-	771	-	-	-	-	-	-	-
2.1 - Corporate Services		771					-	-	-
Vote 3 - BUDGET & TREASURY	-	-	-	-	-	-	-	-	-
3.1 - Finance							-	-	-
Vote 4 - PLANNING & DEVELOPMENT.	-	-	-	-	-	-	-	-	-
4.1 - Planning							-	-	-
Vote 5 - ROADS	-	20 059	22 712	35 322	46 651	46 651	39 676	42 266	40 847
5.1 - Technical		20 059	22 712	35 322	46 651	46 651	39 676	42 266	40 847
Capital multi-year expenditure sub-total	13 944	23 115	22 712	35 322	46 651	46 651	39 676	42 266	40 847
<b>Capital expenditure - Municipal Vote</b>									
<b>Single-year expenditure appropriation</b>									
Vote 1 - COUNCIL & EXECUTIVE.	-	-	-	-	-	-	49	537	72
1.1 - Council							49	537	72

Vote 2 - CORPORATE SERVICES	-	11	40	389	434	434	61	112	82
2.1 - Corporate Services		11	40	389	434	434	61	112	82
Vote 3 - BUDGET & TREASURY	-	191	70	275	250	250	398	116	86
3.1 - Finance		191	70	275	250	250	398	116	86
Vote 4 - PLANNING & DEVELOPMENT.	-	7	-	-	-	-	12	59	34
4.1 - Planning		7					12	59	34
Vote 5 - ROADS	-	-	-	15 450	4 740	4 740	1 700	13 500	12 000
5.1 - Technical				15 450	4 740	4 740	1 700	13 500	12 000
Capital single-year expenditure sub-total	-	209	110	16 114	5 424	5 424	2 220	14 323	12 273
Total Capital Expenditure	13 944	23 324	22 822	51 436	52 075	52 075	41 896	56 588	53 119

KZN233 Indaka - Table A6 Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
<b>ASSETS</b>									
Current assets									
Cash	1	2 942	20 743	15 704	20 000	20 000	9 500	9 975	10 474
Call investment deposits	5 635	26 303	42 014	32 598	44 523	44 523	60 131	63 138	66 295
Consumer debtors	19	244	1 221	834	944	944	1 313	1 624	2 054
Other debtors	2 693	285	3 671	285	3 699	3 699	2 328	2 444	2 566
Current portion of long-term receivables		2 082							
Inventory	118	54	175	60	175	175	75	80	85
<b>Total current assets</b>	<b>8 466</b>	<b>31 910</b>	<b>67 824</b>	<b>49 481</b>	<b>69 341</b>	<b>69 341</b>	<b>73 347</b>	<b>77 261</b>	<b>81 474</b>
Non current assets									
Long-term receivables									
Investments									
Investment property					277	277			
Investment in Associate									
Property, plant and equipment	40 799	60 772	73 950	124 955	114 973	114 973	147 191	203 248	255 843
Agricultural									
Biological									
Intangible					10	10			
Other non-current assets									
<b>Total non current assets</b>	<b>40 799</b>	<b>60 772</b>	<b>73 950</b>	<b>124 955</b>	<b>115 260</b>	<b>115 260</b>	<b>147 191</b>	<b>203 248</b>	<b>255 843</b>
<b>TOTAL ASSETS</b>	<b>49 266</b>	<b>92 681</b>	<b>141 774</b>	<b>174 436</b>	<b>184 601</b>	<b>184 601</b>	<b>220 539</b>	<b>280 509</b>	<b>337 317</b>
<b>LIABILITIES</b>									

<b>Current liabilities</b>									
Bank overdraft	4 254								
Borrowing	1 042	436	195	396	175	175	175	175	175
Consumer deposits			6				5		
Trade and other payables	10 171	16 532	19 517	16 383	13 523	13 523	8 000	8 500	9 000
Provisions	250	250	737				250	250	250
<b>Total current liabilities</b>	<b>15 716</b>	<b>17 218</b>	<b>20 455</b>	<b>16 778</b>	<b>13 697</b>	<b>13 697</b>	<b>8 430</b>	<b>8 925</b>	<b>9 425</b>
<b>Non current liabilities</b>									
Borrowing	3 914	4 124	3 666	3 440	3 671	3 671	3 402	3 227	3 052
Provisions	-	-	946	4 092	1 521	1 521	2 732	3 100	3 400
<b>Total non current liabilities</b>	<b>3 914</b>	<b>4 124</b>	<b>4 612</b>	<b>7 532</b>	<b>5 192</b>	<b>5 192</b>	<b>6 134</b>	<b>6 327</b>	<b>6 452</b>
<b>TOTAL LIABILITIES</b>	<b>19 631</b>	<b>21 343</b>	<b>25 068</b>	<b>24 310</b>	<b>18 889</b>	<b>18 889</b>	<b>14 564</b>	<b>15 252</b>	<b>15 877</b>
<b>NET ASSETS</b>	<b>29 635</b>	<b>71 339</b>	<b>116 706</b>	<b>150 126</b>	<b>165 712</b>	<b>165 712</b>	<b>205 974</b>	<b>265 257</b>	<b>321 440</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	29 635	70 686	116 088	150 126	165 059	165 059	205 289	264 538	320 684
Reserves	-	653	618	-	653	653	685	719	755
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>29 635</b>	<b>71 339</b>	<b>116 706</b>	<b>150 126</b>	<b>165 712</b>	<b>165 712</b>	<b>205 974</b>	<b>265 257</b>	<b>321 440</b>

**KZN233 Indaka - Table A7 Budgeted Cash Flows**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	18 545	2 875	2 127	764	1 856	1 856	1 556	1 803	2 304
Government - operating	44 140	77 921	62 533	67 380	67 241	67 241	71 820	79 219	78 097
Government - capital			21 218	38 847	23 184	23 184	21 401	32 228	33 059
Interest	250	936	1 790	1 000	2 850	2 850	2 500	2 500	2 500
Dividends									
<b>Payments</b>									
Suppliers and employees	(52 338)	(24 112)	(29 142)	(56 868)	(42 192)	(42 192)	(48 867)	(54 202)	(59 871)
Finance charges	(1 084)	(348)	(255)	(275)	(195)	(195)	(230)	(244)	(257)
Transfers and Grants	(13 944)	(5 689)	(502)	(1 000)	(800)	(800)	(1 000)	(1 059)	1 117
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(4 430)</b>	<b>51 582</b>	<b>57 769</b>	<b>49 847</b>	<b>51 944</b>	<b>51 944</b>	<b>47 179</b>	<b>60 245</b>	<b>56 949</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE									
Decrease (Increase) in non-current debtors									
Decrease (increase) other non-current receivables									
Decrease (increase) in non-current investments									
<b>Payments</b>									
Capital assets	1 066	(23 324)	(22 734)	(51 436)	(50 000)	(50 000)	(41 896)	(56 588)	(53 119)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>1 066</b>	<b>(23 324)</b>	<b>(22 734)</b>	<b>(51 436)</b>	<b>(50 000)</b>	<b>(50 000)</b>	<b>(41 896)</b>	<b>(56 588)</b>	<b>(53 119)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term/refinancing			(161)						
Increase (decrease) in consumer deposits									
<b>Payments</b>									
Repayment of borrowing	(1 849)	(396)		(396)	(178)	(178)	(175)	(175)	(175)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 849)</b>	<b>(396)</b>	<b>(161)</b>	<b>(396)</b>	<b>(178)</b>	<b>(178)</b>	<b>(175)</b>	<b>(175)</b>	<b>(175)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(5 214)</b>	<b>27 863</b>	<b>34 874</b>	<b>(1 985)</b>	<b>1 765</b>	<b>1 765</b>	<b>5 109</b>	<b>3 482</b>	<b>3 655</b>
Cash/cash equivalents at the year begin:	5 235	21	27 883	50 286	62 757	62 757	64 523	69 631	73 113

Cash/cash equivalents at the year end:	21	27 883	62 758	48 301	64 523	64 523	69 631	73 113	76 769
--	----	--------	--------	--------	--------	--------	--------	--------	--------

**KZN233 Indaka - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	21	27 883	62 758	48 301	64 523	64 523	69 631	73 113	76 769
Other current investments > 90 days	1 362	1 361	(0)	–	0	0	0	(0)	(0)
Non current assets - Investments	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>1 382</b>	<b>29 245</b>	<b>62 758</b>	<b>48 301</b>	<b>64 523</b>	<b>64 523</b>	<b>69 631</b>	<b>73 113</b>	<b>76 769</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	–	8 293	9 844	8 383	4 844	4 844	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(95 402)	6 967	4 781	7 638	5 373	5 373	6 336	6 425	6 112
Other provisions									
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments									
<b>Total Application of cash and investments:</b>	<b>(95 402)</b>	<b>15 259</b>	<b>14 625</b>	<b>16 021</b>	<b>10 218</b>	<b>10 218</b>	<b>6 336</b>	<b>6 425</b>	<b>6 112</b>
<b>Surplus(shortfall)</b>	<b>96 784</b>	<b>13 985</b>	<b>48 133</b>	<b>32 281</b>	<b>54 306</b>	<b>54 306</b>	<b>63 295</b>	<b>66 688</b>	<b>70 657</b>

**KZN233 Indaka - Table A9 Asset Management**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>13 944</b>	<b>23 324</b>	<b>7 768</b>	<b>16 114</b>	<b>12 424</b>	<b>12 424</b>	<b>2 245</b>	<b>18 360</b>	<b>14 560</b>
Infrastructure - Road transport	13 944	13 815	1 252	–	–	–	–	–	–
Infrastructure - Electricity	–	6 033	4 722	11 200	8 200	8 200	–	12 500	12 000
Infrastructure - Water	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation	–	–	–	–	–	–	–	–	–
Infrastructure - Other	–	–	–	–	1 500	1 500	1 700	1 000	–
Infrastructure	13 944	19 849	5 973	11 200	9 700	9 700	1 700	13 500	12 000
Community	–	2 114	1 189	3 000	1 790	1 790	–	4 000	2 250
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	512	–	–	–	–	–	–	–
Other assets	–	827	606	1 914	934	934	545	860	310
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	22	–	–	–	–	–	–	–
<b>Total Renewal of Existing Assets</b>	<b>–</b>	<b>–</b>	<b>15 053</b>	<b>35 322</b>	<b>39 651</b>	<b>39 651</b>	<b>39 651</b>	<b>38 228</b>	<b>38 559</b>
Infrastructure - Road transport	–	–	14 885	32 972	37 301	37 301	38 151	37 728	38 059
Infrastructure - Electricity	–	–	–	–	–	–	–	–	–
Infrastructure - Water	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation	–	–	–	–	–	–	–	–	–
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	14 885	32 972	37 301	37 301	38 151	37 728	38 059
Community	–	–	–	1 350	1 350	1 350	1 000	500	500
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	169	1 000	1 000	1 000	500	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	13 944	13 815	16 136	32 972	37 301	37 301	38 151	37 728	38 059



Infrastructure - Electricity	-	6 033	4 722	11 200	8 200	8 200	-	12 500	12 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	1 500	1 500	1 700	1 000	-
Infrastructure	13 944	19 849	20 858	44 172	47 001	47 001	39 851	51 228	50 059
Community	-	2 114	1 189	4 350	3 140	3 140	1 000	4 500	2 750
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	512	-	-	-	-	-	-	-
Other assets	-	827	775	2 914	1 934	1 934	1 045	860	310
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	22	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>13 944</b>	<b>23 324</b>	<b>22 822</b>	<b>51 436</b>	<b>52 075</b>	<b>52 075</b>	<b>41 896</b>	<b>56 588</b>	<b>53 119</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	40 799	60 772	73 950	124 955	114 296	114 296	147 191	203 248	255 843
Infrastructure - Electricity									
Infrastructure - Water									
Infrastructure - Sanitation									
Infrastructure - Other									
Infrastructure	40 799	60 772	73 950	124 955	114 296	114 296	147 191	203 248	255 843
Community									
Heritage assets					677	677			
Investment properties	-	-	-	-	277	277	-	-	-
Other assets									
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	10	10	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>40 799</b>	<b>60 772</b>	<b>73 950</b>	<b>124 955</b>	<b>115 260</b>	<b>115 260</b>	<b>147 191</b>	<b>203 248</b>	<b>255 843</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	3 662	3 351	6 092	7 290	8 690	8 690	9 000	9 531	10 055
<u>Repairs and Maintenance by Asset Class</u>	-	-	386	2 611	1 551	1 551	1 490	1 578	1 665
Infrastructure - Road transport	-	-	113	1 250	250	250	250	265	279
Infrastructure - Electricity	-	-	-	100	100	100	100	106	112
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	113	1 350	350	350	350	371	391
Community	-	-	-	300	115	115	25	26	28
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	274	961	1 086	1 086	1 115	1 181	1 246
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>3 662</b>	<b>3 351</b>	<b>6 478</b>	<b>9 901</b>	<b>10 241</b>	<b>10 241</b>	<b>10 490</b>	<b>11 109</b>	<b>11 720</b>
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	0.0%	66.0%	68.7%	76.1%	76.1%	94.6%	67.6%	72.6%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	247.1%	484.5%	456.3%	456.3%	440.6%	401.1%	383.5%
<i>R&amp;M as a % of PPE</i>	0.0%	0.0%	0.5%	2.1%	1.3%	1.3%	1.0%	0.8%	0.7%
<i>Renewal and R&amp;M as a % of PPE</i>	0.0%	0.0%	21.0%	30.0%	36.0%	36.0%	28.0%	20.0%	16.0%

KZN233 Indaka - Table A10 Basic service delivery measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>									
<u>Water:</u>									
Piped water inside dwelling	2 120	2 120	2 120	2 120	2 120	2 120	2 120	2 120	2 120
Piped water inside yard (but not in dwelling)	9 145	9 145	9 145	9 145	9 145	9 145	9 145	9 145	9 145
Using public tap (at least min.service level)	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405
Other water supply (at least min.service level)	477	477	477	477	477	477	477	477	477
<i>Minimum Service Level and Above sub-total</i>	13 147	13 147	13 147	13 147	13 147	13 147	13 147	13 147	13 147

Using public tap (< min.service level)	298	298	298	298	298	298	298	298
Other water supply (< min.service level)	216	216	216	216	216	216	216	216
No water supply	6 410	6 410	6 410	6 410	6 410	6 410	6 410	6 410
<i>Below Minimum Service Level sub-total</i>	6 924	6 924	6 924	6 924	6 924	6 924	6 924	6 924
<b>Total number of households</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>
<b><u>Sanitation/sewerage:</u></b>								
Flush toilet (connected to sewerage)	2 704	2 704	2 704	2 704	2 704	2 704	2 704	2 704
Flush toilet (with septic tank)	193	193	193	193	193	193	193	193
Chemical toilet	435	435	435	435	435	435	435	435
Pit toilet (ventilated)	6 051	6 051	6 051	6 051	6 051	6 051	6 051	6 051
Other toilet provisions (> min.service level)	5 800	5 800	5 800	5 800	5 800	5 800	5 800	5 800
<i>Minimum Service Level and Above sub-total</i>	15 183	15 183	15 183	15 183	15 183	15 183	15 183	15 183
Bucket toilet	182	182	182	182	182	182	182	182
Other toilet provisions (< min.service level)	912	912	912	912	912	912	912	912
No toilet provisions	3 795	3 795	3 795	3 795	3 795	3 795	3 795	3 795
<i>Below Minimum Service Level sub-total</i>	4 889	4 889	4 889	4 889	4 889	4 889	4 889	4 889
<b>Total number of households</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>	<b>20 072</b>
<b><u>Energy:</u></b>								
Electricity (at least min.service level)	11 680	11 680	11 680	11 680	11 680	11 680	11 680	11 680
Electricity - prepaid (min.service level)								
<i>Minimum Service Level and Above sub-total</i>	11 680	11 680	11 680	11 680	11 680	11 680	11 680	11 680
Electricity (< min.service level)								
Electricity - prepaid (< min. service level)								
Other energy sources								
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>	<b>11 680</b>
<b><u>Refuse:</u></b>								
Removed at least once a week								
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–
Removed less frequently than once a week	2 693	2 693	2 693	2 693	2 693	2 693	2 693	2 693
Using communal refuse dump	383	383	383	383	383	383	383	383
Using own refuse dump	11 905	11 905	11 905	11 905	11 905	11 905	11 905	11 905
Other rubbish disposal	105	105	105	105	105	105	105	105
No rubbish disposal	4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985
<i>Below Minimum Service Level sub-total</i>	20 071	20 071	20 071	20 071	20 071	20 071	20 071	20 071
<b>Total number of households</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>	<b>20 071</b>
<b><u>Households receiving Free Basic Service</u></b>								
Water (6 kilolitres per household per month)								
Sanitation (free minimum level service)								
Electricity/other energy (50kwh per household per month)	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408
Refuse (removed at least once a week)								
<b><u>Cost of Free Basic Services provided (R'000)</u></b>								
Water (6 kilolitres per household per month)								
Sanitation (free sanitation service)								
Electricity/other energy (50kwh per household per month)	47	47	47	47	47	47	47	47
Refuse (removed once a week)								
<b>Total cost of FBS provided (minimum social package)</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b><u>Highest level of free service provided</u></b>								
Property rates (R value threshold)		50 000	50 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)								
Sanitation (kilolitres per household per month)								
Sanitation (Rand per household per month)								
Electricity (kwh per household per month)		50	50	50	50	50	50	50
Refuse (average litres per week)								
<b><u>Revenue cost of free services provided (R'000)</u></b>								
Property rates (R15 000 threshold rebate)				1 693				
Property rates (other exemptions, reductions and rebates)				1 785				
Water								

Sanitation								
Electricity/other energy								
Refuse								
Municipal Housing - rental rebates								
Housing - top structure subsidies								
Other								
Total revenue cost of free services provided (total social package)	-	-	-	3 478	-	-	-	-

## Municipal manager's quality certificate

I ....., municipal manager of Indaka Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal manager of Indaka Local Municipality KZN 233

Signature \_\_\_\_\_

Date \_\_\_\_\_